

AMENDED IN SENATE AUGUST 24, 1998

AMENDED IN SENATE AUGUST 17, 1998

AMENDED IN SENATE JULY 22, 1998

AMENDED IN SENATE JULY 9, 1998

AMENDED IN SENATE JUNE 22, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1182

Introduced by Assembly Member Keeley

February 28, 1997

An act relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, as amended, Keeley. Public Utilities Commission: California-American Water Company.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities, including water companies.

This bill would require the commission, in consultation with the California-American Water Company, *the Department of Water Resources* and *other* affected interests, to prepare a prescribed long-term contingency plan that company would pursue if a specified dam project does not go forward.

The bill would make related *changes, and related* legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of
2 the following:

3 (a) As a result of State Board Order No. WR 95-10 by
4 the State Water Resources Control Board, the
5 California-American Water Company must cease and
6 desist diligently from diverting approximately 10,730
7 acre-feet of water annually from the Carmel River or its
8 underflow.

9 (b) The California-American Water Company has
10 filed an application with the Public Utilities Commission
11 for a certificate that the present and future public
12 convenience and necessity require the company to
13 construct and operate a 24,000 acre-foot Carmel River
14 Dam and Reservoir in its Monterey Division and to
15 recover all present and future costs in connection
16 therewith in rates.

17 (c) The Public Utilities Commission, after the public
18 participation hearing and prehearing conference held in
19 Monterey, in its June 23, 1997, Joint Ruling, determined
20 that the issues regarding the application of the
21 California-American Water Company fall into three
22 broad interrelated, categories: environmental, financial,
23 and alternative water strategies. The commission also
24 found that the necessity to secure the Monterey
25 Peninsula's water supply greatly predates the current
26 crises, and that the company's dam proposal is the latest
27 of several projects that have received serious
28 consideration. Further, the commission noted that "[t]he
29 challenge for the community is to achieve closure: some
30 project or combination of projects must be chosen and
31 completed, or long-term water rationing is likely to be
32 unavoidable for this community."

33 (d) Decision No. 98-08-036, adopted by the Public
34 Utilities Commission on August 6, 1998, requires the
35 California-American Water Company to prepare a
36 long-term contingency plan describing the program or
37 combination of programs that the company would pursue

1 if for any reason the new Carmel River Dam project does
2 not go forward.

3 (e) Because of both the long-term difficulties in the
4 water needs of the Monterey Peninsula, and the present
5 urgency to resolve those water needs, the Legislature
6 intends that an environmentally sound water source for
7 the water be secured as quickly as possible in a
8 responsible manner. It is also the policy of the Legislature
9 that in order to achieve closure in the Monterey
10 community it is necessary that the residents served by the
11 Monterey Peninsula Water Management District be
12 provided two ~~alternative~~ water solutions: (a) the dam
13 proposed by the California-American Water Company
14 and (b) a long-term contingency plan.

15 SEC. 2. (a) Notwithstanding any other provision of
16 law, the Public Utilities Commission, in consultation with
17 the California-American Water Company ~~and, the~~
18 *Department of Water Resources, and other* affected
19 interests, shall prepare a long-term contingency plan
20 described in Decision No. 98-08-036.

21 (b) *The Public Utilities Commission shall set forth the*
22 *criteria that it uses in deciding upon the program or*
23 *combination of programs included in the plan.*

24 (c) *Nothing in this section shall override or interfere*
25 *with the enforcement of decisions or orders of the State*
26 *Water Resources Control Board.*

27 SEC. 3. *The Public Utilities Commission, in making its*
28 *determination on Application No. 97-03-052, shall consult*
29 *with the Department of Water Resources. Nothing in this*
30 *section shall amend or in any way alter the authority of*
31 *the Public Utilities Commission to make the decision on*
32 *Application No. 97-03-052.*